

STATE OF DELAWARE
OFFICE OF
AUDITOR OF ACCOUNTS

MAURICE J. MOYER ACADEMY
STUDENT ACCOUNTING AND
ENROLLMENT

AGREED-UPON PROCEDURES ENGAGEMENT

SEPTEMBER 30, 2006

FIELDWORK END DATE: DECEMBER 8, 2006

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19901-3639

Theopolis Gregory, Sr.
Director
Maurice J. Moyer Academy
97 Vandever Avenue
Wilmington, DE 19802

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and Maurice J. Moyer Academy (the School). The procedures were performed solely to assist the specified parties in evaluating the School's compliance with laws and regulations in regard to Student Accounting and Enrollment as of September 30, 2006. Management is responsible for the School's compliance with those requirements.

This agreed-upon procedures engagement was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures were as follows:

1. Determine if the School's policies and procedures for preparing, reviewing, and reporting the September 30th student count are adequate.
2. Determine if the School properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.
3. Select 10 percent (10%) or a minimum of five "Individualized Education Program" (IEP) files at the Charter School and verify that each file contains the required documentation in accordance with the DOE's Administrative Manual for Special Education Services. Calculate the dollar impact of disallowed services, if applicable.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, and Department of Finance.

R. Thomas Wagner, Jr., CFE, CGFM, CICA
Auditor of Accounts
Office of Auditor of Accounts

December 8, 2006

SCHEDULE OF FINDINGS

Procedure #1

Determine if the School's policies and procedures for preparing, reviewing and reporting the September 30th student count are adequate.

Finding #1

The School does not have sufficient written internal policies and procedures governing the preparation, review and reporting of the September 30th student count.

The State of Delaware *Budget and Accounting Policy Manual* states, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control." Additionally, the manual states, "Internal control provides management with reasonable assurance that its policies and procedures are implemented and consistently followed to ensure efficient and effective organization operation." Further, the manual states, "A well designed system of controls must include written policies and procedures to ensure that each control objective is met."

The School utilized written attendance procedures, however, they are not sufficient to ensure the completeness, accuracy and timeliness of the student enrollment count at September 30th. Lack of sufficient policies and procedures may result in an inaccurate student count at September 30th.

Recommendation

The Maurice J. Moyer Academy School should develop and implement in-house written policies and procedures governing the preparation, review, and reporting of the September 30th student enrollment figures to DOE. These policies and procedures should incorporate information such as:

- Documentation of personnel responsible for each task (i.e. completing forms, signing forms, etc.).
- Timeframes for the submission of documentation.
- Procedures followed if a student transfers from the Charter School to another school.
- Attendance taking methodology.
- Verification of attendance by teachers and upper level administrators.
- Gathering and maintaining documentation that supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound, placement in an alternative education setting, engineering, etc.).
- How the School ensures that required information is included on IEP's (necessary signatures, goals, benchmarks and objectives, etc.).
- Reference to pertinent rules and regulations stipulated by DOE and/or Delaware Code.
- Record retention policy.

SCHEDULE OF FINDINGS

Auditee Response

The Maurice J. Moyer Academy agrees to follow the State Auditor's Office recommendation and will develop sufficient written internal policies and procedures for reporting the September 30th Unit Count within 30 days.

Procedure #2

Determine if the School properly reported enrollment figures to the DOE. Calculate the dollar impact of disallowed students, if applicable.

Finding #2

The School did not comply with the waiver granted by Department of Education allowing the school to waive the 12.5 hours requirement for special education students. The School reported 32.37 special education students; instead of the 39 special education students allowed by the waiver.

Title 14 Delaware Code, Chapter 1, Section 122 (g) states "For the purposes of ensuring that state regulations do not impede innovation or the improvement of student achievement, the local board may propose such a waiver (that) would further the accomplishment of state and local educational policies..." Further, "The board of education shall transmit its proposed waiver to the Department of Education..." and "the Department of Education may schedule ... a hearing to consider to approve the proposed waiver. Absent scheduling of such a hearing within such a time period, the proposed waiver shall be considered approved by the Department of Education."

Maurice J. Moyer Academy applied to the Department of Education and was granted a waiver from the 12.5 hours requirement for special education students. The waiver allows part time special education students to be counted as full time special education students, which would have resulted in an increase in the School's state funding. The under reporting of special education students resulted in the loss of .07 units or \$3,863.

Recommendation

The School should revise its September 30th student enrollment procedures to ensure compliance with Department of Education waivers and the School should ensure compliance with DOE waivers to maximize funding.

Auditee Response

The students not counted as special education were re-engineered to regular education for unit count purposes.

SCHEDULE OF FINDINGS

Auditor's Comment

The School did not utilize the DOE waiver of the 12.5 hours requirement for students who were classified as special education resulting in the loss of funding in the amount of \$3,863. The School should comply with the waiver to maximize funding.

Procedure #3

Select 10 percent (10%) or a minimum of five "Individualized Education Program" (IEP) files at the School and verify that each file contains the required documentation in accordance with the DOE's Administrative Manual for Special Education Services. Calculate the dollar impact of disallowed services, if applicable.

Finding #3

The School incorrectly reported one student as Educable Mental Disability (EMD) when the IEP indicated the student a Learn Deficient (LD). Title 14 *Delaware Administrative Code* Section 701 states, "students shall be reported for the level of special education service as defined by the current IEP."

The incorrect reporting could result in a loss of funding.

Recommendation

The School should review and update records for the correct disability category for the one student and put controls in place to ensure accurate reporting in the future.

Auditee Response

The student in question was listed as LD (Learning Disabled) on the IEP received from East Side Charter School for the period of 9/29/05 – 9/29/06. This was in opposition to the Psycho Educational Evaluation Report conducted by Colonial School District on November 3, 12, and 24, 2003 and the Comprehensive Evaluation Report conducted by Chichester School District (Pennsylvania) on 12/11/2000. Their findings were as follows:

- Colonial School District – Emotionally disturbed
- Chichester School District – Serious Emotional Disturbance (Chichester specifically ruled out Learning Disability)

While this change may seem incorrect, we believe that the mistake was on the previous IEP not Moyer Academy's.

Auditor's Comment

The School should update the IEP in question to reflect the correct disability.

SCHEDULE OF FINDINGS

Finding #4

Two of the five IEP's reviewed did not contain all the necessary signatures of the required School staff. One IEP did not contain the signature of the special education teacher and one IEP did not contain the signature of a regular education teacher.

Title 14 *Delaware Administrative Code* Section 925, § 5 "As part of the on going responsibility for the monitoring and evaluation of programs to determine compliance with state and federal requirements, the school district or other public agency shall review the IEP's of children with disabilities to determine that their content is consistent with requirements of these regulations. Documentation of monitoring efforts shall be maintained by the school district or other public agencies." Signatures of the required teachers and administrative personnel provide evidence that the school complied with the documentation requirements.

Based on discussions with DOE personnel, the missing signatures will not affect current year funding.

Recommendation

The School should put controls in place to ensure compliance with maintenance of IEP's, including obtaining the appropriate authorizing signatures.

Auditee Response

The School agrees to follow the State Auditor's office recommendation to put proper controls in place to ensure compliance of IEP's. An internal written procedure will be developed within 30 days.

DOLLAR IMPACT

There was no dollar impact/savings identified as a result of applying the specified agreed-upon procedures.

DISTRIBUTION OF REPORT

Copies of the Maurice J. Moyer Academy's Agreed-Upon Procedures Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Richard S. Cordrey, Secretary, Department of Finance
The Honorable Jennifer W. Davis, Director, Office of Management and Budget
Ms. Trisha Neely, Director, Division of Accounting, Department of Finance

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of the Controller General

Other Elective Offices

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General

Other

Theopolis Gregory, Sr, Principal, Maurice J. Moyer Academy
Raymond Armstrong, President, Maurice J. Moyer Academy